

**BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA**

DOCKET NO. 2019-290-WS

In the Matter of:)

Application of Blue Granite Water)
Company for Approval to Adjust)
Rate Schedules and Increase Rates)

**LATE-FILED EXHIBIT NO. 2 OF
BLUE GRANITE WATER COMPANY**

PUBLIC VERSION

Responses of Blue Granite Water Company to Customer-Specific Issues

Blue Granite Water Company (“Blue Granite” or the “Company”) files this report in response to customer concerns raised at the recently held public hearings.

I. LEXINGTON PUBLIC HEARING

A public hearing, held in Lexington, South Carolina, convened at 6:00 p.m. on Monday, January 27, 2020, in the Town of Lexington Municipal Complex, Lexington, South Carolina.

Donald H. Denton, President of Blue Granite, and J. Bryce Mendenhall, Vice President of Operations, were accompanied by the following Company personnel who were available to assist customers with questions or requests: Adam James, Director of Operations; Travis Dupree, Vice President of Project Management and Engineering, Reese Hannon, Communications and Community Relations Coordinator, Rebecca Coates, Compliance Manager, and Amy Hopkins, Project Manager. Sam Wellborn and Frank Ellerbe of Robinson Gray Stepp & Laffitte, LLC appeared as counsel for Blue Granite Water Company.

Generally, the customers who provided comment expressed concern about the proposed percentage increase in rates, billing issues, and LETTS tank cleaning proposed increases.

A. Blue Granite's General Response to Customers

Blue Granite may adjust its rates only if it demonstrates, following a comprehensive and detailed investigation by the Office of Regulatory Staff and other intervenors, that such adjustment is authorized under the law and is based on the actual cost and level of investment actually made by the Company. Blue Granite's water and wastewater rates require approval of the Commission, and the rates are set only after a fully litigated, contested case hearing. Blue Granite filed its pending rate adjustment application to seek Commission approval of the recovery of expenditures that are not already reflected in the Company's current rates.

Blue Granite understands customers' opposition to rate increases. However, the public utility water and wastewater business is a capital-intensive industry and, since the Company's last rate case, Blue Granite has invested more than \$23 million in South Carolina.

B. Specific Responses to Customers at the Lexington Public Hearing

[REDACTED], Pelion, South Carolina

The ORS spoke to Mrs. [REDACTED] upon conclusion of the Lexington Night Hearing. Mrs. [REDACTED] states she is having a high bill issue and a possible water leak. She states that on January

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14, 2020, she had a Blue Granite Water Company tech turn off the water at the meter as the meter was registering high usage and the meter would not stop spinning. The ORS has requested that the Company conduct a high bill investigation to determine if;

1. Is the water currently off, or is the service on?
2. Does the customer have a leak on the consumer side of the meter?
3. Is the proper water meter being billed for this location?
4. Has the meter been properly read and is it continuing to advance?
5. Is the meter working properly and within the PSC required plus (+) or minus (-) Three percent (3%) accuracy?

The Company's response to the above is as follows:

1. Is the water currently off, or is the service on?
 - a. Service is currently on at the address.
2. Does the customer have a leak on the consumer side of the meter?
 - a. It appears that the customer has a leak on her side of the meter.
3. Is the proper water meter being billed for this location?
 - a. The proper water meter is being billed for this customer.
4. Has the meter been properly read and is it continuing to advance?
 - a. The meter has been read properly and is currently advancing.
5. Is the meter working properly and within the PSC required plus (+) or minus (-) Three percent (3%) accuracy?
 - a. We have been unable to test the meter because it is still running. This could be a result of the leak not being fixed, or usage from Ms. [REDACTED]. Once the Company receives confirmation that the leak has been addressed, the Company can test the meter.

Blue Granite has reached out to the customer and will continue to monitor this issue.

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II. IRMO PUBLIC HEARING

A public hearing, held in Irmo, South Carolina convened at 6:00 p.m. on Thursday, January 30, 2020, at the Irmo Municipal Building, 7300 Woodrow Street, Irmo South Carolina.

J. Bryce Mendenhall, Vice President of Operations, was in attendance and accompanied by the following Company personnel who were available to assist customers with questions or requests: Adam James, Director of Operations; Travis Dupree, Vice President of Project Management and Engineering, Deborah Clark, Communications Manager, Rebecca Coates, Compliance Manager, Amy Hopkins, Project Manager, and Katherine Tucker, Senior Financial Analyst. Sam Wellborn and Frank Ellerbe of Robinson Gray Stepp & Laffitte, LLC, appeared as counsel for Blue Granite Water Company.

Generally, the customers who provided comment expressed concerns around the proposed percentage increase in rates, flat rates for wastewater services compared to volumetric rates, the costs associated with the office move, high bills, fixed income challenges, non-working fire-hydrants, water quality, and impacts on real estate values. Certain concerns about service were also brought forward.

A. Blue Granite Water Company's General Response to Customers

Blue Granite may adjust its rates only if it demonstrates, following a comprehensive and detailed investigation by the Office of Regulatory Staff and other intervenors, that such adjustment is authorized under the law and is based on the actual cost and level of investment actually made by the Company. Blue Granite's water and wastewater rates require approval of the Commission, and the rates are set only after a fully litigated, contested case hearing. Blue Granite filed its pending rate adjustment application to seek Commission approval of the recovery of expenditures that are not already reflected in the Company's current rates.

Blue Granite understands customers' opposition to rate increases. However, the public utility water and wastewater business is a capital-intensive industry and, since the Company's last rate case, Blue Granite has invested more than \$23 million in South Carolina.

A flat rate for wastewater service is necessary due to the lack of metered water, as in some cases the municipality supplies water to customers, and some customers have private wells with no metered water. This makes it impossible for Blue Granite to measure the amount of water passed into the wastewater system by the customer. A reasonable flat rate is fair for all customers given the costs associated with installing separate wastewater meters to measure the flow.

The aforementioned fire hydrants are intended to be used for flushing purposes only. These hydrants are not to be used for primary fire suppression due to their lower flow rate of water.

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The Company's position related to the office relocation and upfit are discussed in the Company's pre-filed testimony.

B. Specific Responses to Customers at the Irmo Public Hearing

_____, Columbia, South Carolina

The ORS received contact from Ms. [REDACTED] during the Irmo Night Hearing. Ms. [REDACTED] issue relates to a high bill and meter reading issue. She states, she did not get a bill one month and then she got a bill the following month that was for over \$750.00. She states that this bill cannot be correct and wants the company to correct the bill for actual water used.

Blue Granite Water Company's response to the above is as follows:

Upon investigation, Blue Granite found that Ms. [REDACTED] was billed for \$751.98 on December 19, 2019. After Ms. [REDACTED] called Blue Granite, a high bill investigation was started. During the high bill investigation, Blue Granite found that the meter read had been incorrect on the \$751.98 bill. The meter reader mistakenly left out a digit when transposing the read into the system. Upon finding this issue and obtaining a correct read, the bill in question was cancelled and the customer was rebilled based on correct usage. The reads were corrected on January 13, 2020 and the customer's outstanding balance was updated.

[REDACTED], Columbia, South Carolina

The ORS spoke with [REDACTED] at the Irmo Public Hearing. Mr. [REDACTED] advised the ORS that BGWC attempted to terminate service and left a notice on the door on August 20, 2019. He states that they had not received any bills or notices prior to the door hanger. The customer states that it was difficult to change the address with the Company. The customers also states that his neighbors are not being charged for sewer service.

The ORS is requesting Blue Granite review the contact records for Mr. [REDACTED] account and provide feedback regarding the issue of getting an address correction made. The ORS is further requesting that the company conduct a vacancy study in the Shoals Landing community to ensure all company serviced location are being billed for service provided.

Blue Granite Water Company's response to the above is as follows:

Blue Granite staff investigated this account and found that when the address was created on file, it was input with a Chapin address, when it should have been a Columbia address. Once the issue was discovered, Blue Granite was able to work with our customer service staff to update the address. Once the address was updated, bills were sent to the correct address and there has not been an issue since.

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Regarding the Vacancy Survey requested, Blue Granite Water determined that all occupied premises hold an account. Also, these reports are inspected monthly to ensure all premises are accounted for.

██████████, Chapin, SC

Mr. ██████ stated that he was without water for two days and when he called the Blue Granite customer service line and spoke to the after-hours service, he received information concerning a water main break in his area. Mr. ██████ stated that he spoke with two people on site working for the company who told him the water was out due to a broken pump.

Blue Granite Water Company's response to the above is as follows:

There was an issue with a capacitor at the well that malfunctioned, which staff worked on and remedied as soon as parts arrived on site. While the customer was not without water for two full days, the system had experienced two mechanical failures during a two-day timeframe that resulted in periodic outages during that time period.

Upon review of our records, Mr. ██████ called our customer service line at 8:25 am and spoke with a company representative. At the time of this call, the Customer Service Supervisor was forwarded the call. The Director of Operations for South Carolina called Mr. ██████ and spoke with him regarding the issues pertaining to the water outage and apologized for the what Mr. ██████ characterized as the "run-around" with the customer service team.

The customer service team members are provided training and follow company procedures in engaging customers. In the procedures, staff only provide a first name to its customers and then send the customer's call to a supervisor for additional assistance. At any given time, the call volume may be higher than normal resulting in a higher call volume and wait time. This is what occurred in this situation.

██████████, Irmo, SC

Mr. ██████ states that he had 980 feet of his back yard redone due to work Blue Granite, who never fixed it once the repairs were completed.

Blue Granite Water Company's response to the above is as follows:

There is no record of Blue Granite receiving any notification of needing to repair any work in Mr. ██████ yard in addition to what the Company had already replaced to the original condition. Blue Granite will contact Mr. ██████ and determine if there are any additional actions needed to assist this customer.

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[REDACTED], Irmo, SC

Ms. [REDACTED] complained about long wait times and the unfriendly customer service representatives who set up payment assistance for late payments or unpaid bills.

Blue Granite Water Company's response to the above is as follows:

Upon review of the customer service records, there is no indication of any specific issues with the customer complaining about any perceived unfriendly conversation of our representatives. The long wait times mentioned by Ms. [REDACTED] happen periodically during heavy call volumes. A typical cause for longer wait times includes customers inquiring on paying bills, setting up service, and reporting of an outage. However, the average wait time in 2019 was 1 minute and 3 seconds per our customer service call metrics.

The customer service representatives receive training on all aspects of customer service and follow company procedures regarding customer interactions. The customer service center is available to answer any questions customers may have concerning their service, water and wastewater connection, and bill, including the residential base rate for water and sewer.

██████████, spoke on behalf of his mother in-law, who resides in the Stonegate Subdivision. At this time, without a name or address, the Company could not access the customer's records in our system.

The customer stated he had brown water that he cannot use to prepare food. The instance reported by Mr. [REDACTED] was in December 2019.

Blue Granite Water Company's response to the above is as follows:

Blue Granite researched for any previous water main breaks and boil water advisories for the Stonegate community. There was an emergency water main break, which resulted in a boil water advisory notification to only the impacted customers on December 11, 2019. This message was sent to our customers via our My Utility Connect notification system that utilizes a customer's chosen communication method of either a phone call, text message, push notification, or an email. During this timeframe, the emergency repair may have contributed to a short period of brown water until the line could be repaired and flushing of the water main lines to remove any disturbed sediment from the system. The rescission of this notification occurred two days later once the system had been fully flushed and the test results from our laboratory indicated no presence of bacteria. Upon the receipt of the actual customer's address or name, the Company can provide additional information regarding this or any other issues.

_____, Irmo, SC

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The customer complained of trucks leaving tracks in her yard during a recent rain event. She asked if a right-of-way allowed Company employees to enter her yard to attend to the spill – there are two manholes located in the easement for this property. The customer stated that her yard was in need of landscape remediation.

Blue Granite Water Company's response to the above is as follows:

The Company has no record of this customer contacting the Company regarding issues associated with the manholes. The Company's records indicate this customer is not listed on the wastewater account for this property. Blue Granite will reach out to the accountholder to determine whether there is any follow-up remediation needed at the location.

III. UNION PUBLIC HEARING

A public hearing, held in Union, South Carolina, convened at 6:00 p.m. on Monday, February 3, 2020, in the Town of Union, City Hall, 101 Sharpe Avenue, Union, South Carolina.

Donald H. Denton, President of Blue Granite Water, and J. Bryce Mendenhall, Vice President of Operations, were accompanied by the following Company personnel who were available to assist customers with questions or requests: Adam James, Director of Operations; Travis Dupree, Vice President of Project Management and Engineering, Deborah Clark, Communications Manager, Reese Hannon, Communications and Community Relations Coordinator, Rebecca Coates, Compliance Manager, Amy Hopkins, Project Manager, Valerie Arnold, Purchasing Manager and Katherine Tucker, Senior Financial Analyst. Sam Wellborn of Robinson Gray Stepp & Laffitte, LLC appeared as counsel for Blue Granite Water Company.

Generally, customers who provided comment expressed concern about the proposed percentage increase in rates, flat rates versus volumetric rates for wastewater, sewage backup, employee issues, and lack of system improvements.

A. Blue Granite Water Company's general responses to the above:

Blue Granite may adjust its rates only if it demonstrates to the Commission, following a comprehensive and detailed investigation by the Office of Regulatory Staff and other intervenors, that such adjustment is authorized under the law and is based on the actual cost and level of investment actually made by the Company. Blue Granite's water and wastewater rates require approval of the Commission, and the rates are set only after a fully litigated, contested case hearing. Blue Granite filed its pending rate adjustment application to seek Commission approval of the recovery of expenditures that are not already reflected in the Company's current rates.

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Blue Granite understands customers' opposition to rate increases. However, the public utility water and wastewater business is a capital-intensive industry and, since the Company's last rate case, Blue Granite has invested more than \$23 million in South Carolina.

B. Specific Responses to Customers at the Union Public Hearing

_____, Union, SC

The customer in the First Fairwood subdivision stated that she had to ask the Blue Granite employee to clean out the manhole located near her home that was clogged. She stated that Blue Granite Water removed the blockage, but she still had to flush her toilet multiple times.

Blue Granite Water Company's response to the above:

The Blue Granite Area Manager for this community discussed the issue with the customer and will follow-up to determine if there are any remaining issues to remedy.

[REDACTED], Union, South Carolina

Ms. [REDACTED] stated that she was back-billed for sewer service. When she moved into her home, she believed she had a private septic tank. After looking over her previous bills, it is evident that she started service in October of 2018 and was not billed for service in November or December until January. In January she received bills for three months of service she received.

Blue Granite Water Company's general responses to the above:

Blue Granite will provide a courtesy credit to Ms. [REDACTED] account \$131.54, which covers the sewer service for the delayed bills in November and December 2019.

_____, Union, SC

Mr. [REDACTED] complained that there were no noticeable improvements in the community other than the work on manholes as a response to Commissioner Whitfield's question regarding improvements.

Blue Granite Water Company's general responses to the above:

The Company is not aware of any specific service issues related to this account.

IV. GREENVILLE COUNTY PUBLIC HEARING

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A public hearing, held in Greenville County, South Carolina convened at 6:00 p.m. on Thursday, February 13, 2020, in the Greenville County Council Chambers, 301 University Ridge, Suite 2400, Greenville, South Carolina, 29601.

J. Bryce Mendenhall, Vice President of Operations, was in attendance and was accompanied by the following Company personnel who were available to assist customers with questions or requests: Adam James, Director of Operations; Travis Dupree, Vice President of Project Management and Engineering, Deborah Clark, Communications Manager, Reese Hannon, Communications and Community Relations Coordinator, Rebecca Coates Compliance Manager, Amy Hopkins, Project Manager, Larry Chitwood, Area Manager, Katherine Tucker, Senior Financial Analyst and Valerie Arnold, Purchasing Manager. Sam Wellborn of Robinson Gray Stepp & Laffitte, LLC appeared as counsel for Blue Granite Water Company.

Generally, customers who provided comment expressed concern about the proposed percentage increase in rates, flat rates versus volumetric rates for wastewater, sewage backup, rebranding costs, and an easement issue.

A. Blue Granite Water Company's General Response to Customers

Blue Granite may adjust its rates only if it demonstrates, following a comprehensive and detailed investigation by the Office of Regulatory Staff and other intervenors, that such adjustment is authorized under the law and is based on the actual cost and level of investment actually made by the Company. Blue Granite's water and wastewater rates require approval of the Commission, and the rates are set only after a fully litigated, contested case hearing. Blue Granite filed its pending rate adjustment application to seek Commission approval of the recovery of expenditures that are not already reflected in the Company's current rates.

Blue Granite understands customers' opposition to rate increases. However, the public utility water and wastewater business is a capital-intensive industry and, since the Company's last rate case, Blue Granite has invested more than \$23 million in South Carolina.

A flat rate for wastewater service is necessitated due to the lack of metered water, in some cases the municipality supplies water to customers, and some customers have private wells with no metered water. This makes it impossible for Blue Granite to measure the amount of water passed into the wastewater system. A reasonable flat rate is fair for all customers given the costs associated with installing separate wastewater meters to measure the flow.

The Company's position related to the office relocation and upfit are discussed in the Company's pre-filed testimony.

B. Specific Responses to Customers at the Greenville Public Hearing

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██████████, Piedmont, SC

Mr. ██████████ complained about Blue Granite Water Company's water tank easement on his property. Given the location of the tank to the customer's sewer line and the mandatory setback of 100 feet from the sewer, the customer states he is not able to drill a private well.

Blue Granite Water Company's general responses to the above:

The Company investigated the easement and found it was provided to Blue Granite in 1972. As related to the customer's comments regarding a generator on the water tank during a winter storm in 2018 or 2017, the tank's overall capacity did not present an issue for providing the customers water during the period without electrical service. The service to the water tank was restored before the need to address any water provision issues.

██████████, Piedmont, SC

Ms. ██████████ stated that she had an issue with the sewer line blocked coming into her home, and that she had water issues that she thought were a result of our wastewater service. She also states that there was damage to her home resulting from the blocked sewer line.

Blue Granite Water Company's general responses to the above:

Blue Granite investigated this customer's issue and worked with our operations staff to find a solution to the issue. On October 23, 2019, a clog was discovered in the main line causing a clog at the customer's elder valve. Upon finding this issue, the line was jetted and cleaned to remove the clog. Our area manager contacted Ms. ██████████ to provide an update concerning the above issues and resolutions, and the Company has filed a claim with its insurance Company to investigate.

V. COLUMBIA PUBLIC HEARING

A public hearing, held in Columbia, South Carolina convened at 6:00 p.m. in the Saluda Building, Hearing Room, 101 Executive Center Drive, Columbia, South Carolina.

Donald H. Denton, President of Blue Granite Water, and J. Bryce Mendenhall, Vice President of Operations, were accompanied by the following Company personnel who were available to assist customers with questions or requests: Adam James, Director of Operations; Travis Dupree, Vice President of Project Management and Engineering, Deborah Clark, Communications Manager and Reese Hannon, Communications and Community Relations Coordinator. Sam Wellborn of Robinson Gray Stepp & Laffitte, LLC, appeared as counsel for Blue Granite Water Company.

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Generally, customers who provided comment expressed concern about the proposed percentage increase in rates, billing issues for one meter and multiple condos, real estate values, aging wastewater infrastructure, and lack of communication with customer service follow-up.

A. Blue Granite Water Company's General Response to Customers

Blue Granite may adjust its rates only if it demonstrates, following a comprehensive and detailed investigation by the Office of Regulatory Staff and other intervenors, that such adjustment is authorized under the law and is based on the actual cost and level of investment actually made by the Company. Blue Granite's water and wastewater rates require approval of the Commission, and the rates are set only after a fully litigated, contested case hearing. Blue Granite filed its pending rate adjustment application to seek Commission approval of the recovery of expenditures that are not already reflected in the Company's current rates.

Blue Granite understands customers' opposition to rate increases. However, the public utility water and wastewater business is a capital-intensive industry and, since the Company's last rate case, Blue Granite has invested more than \$23 million in South Carolina.

B. Specific Responses to Customers at the Columbia Public Hearing

_____, Lexington, SC

The customer complained of one bill for all 99 units in 10 buildings – each building has a master meter resulting in combined bills, which they would prefer each condo billed separately or one single base rate bill. They also want the interceptor tanks cleaned only during business hours and not later in the evening or at night. She mentioned the Watergate wastewater treatment plant closing and the connection with Lexington as the preferred option.

Blue Granite Water Company's general responses to the above:

The Company is exploring the billing requests from the Spence's Point Condos Homeowners' Association (HOA). Once the Company has more information, it will reach out to the HOA leaders. Blue Granite is still pursuing the interconnection with Lexington's wastewater system and will communicate with the customers when the case has been finalized.

_____, Lexington, SC

Mr. [REDACTED] spoke about the HOA of Spence's Point Condos, Lands End, and Mallard Shores combining efforts to pursue the closing of the Watergate wastewater treatment plant (WWTP) and the interconnection with Lexington. Mr. [REDACTED] stated it was time to resolve the long-standing issues with the Watergate WWTP with the government who made an agreement 20 years ago.

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Blue Granite Water Company's general responses to the above:

Blue Granite Water Company continues to pursue legal remedies related to an interconnection with the Lexington wastewater system.

[REDACTED], Lexington, SC

Ms. [REDACTED] stated that the wastewater spill that recently occurred on February 17, 2020 was cleaned by applying lime and HTH on the ground and the pool decking was pressure washed. However, the planters around the pool were not cleaned and remain contaminated and people still use this area.

Blue Granite Water Company's general responses to the above:

Blue Granite Water Company will investigate the additional cleaning of the planters or any other potential remedy. Staff will contact the HOA as soon as possible.

[REDACTED], West Columbia, SC

Mr. [REDACTED] complained of erroneous bill reading over the summer and the lack of Blue Granite Water Company to respond to his requests for a meter test after he found a leak. He states that the Company's national number for customer service did not answer until his fifth call. The customer service representative told him the area manager would reach out to him, which did not occur.

Blue Granite Water Company's general responses to the above:

The Company's customer service records show that Mr. [REDACTED] called for a meter test on July 5, 2019. The meter was removed and sent to the laboratory for testing that same day. The meter was replaced with a new meter. Mr. [REDACTED] called our customer service team again on August 16, 2019, for the status of a boil water advisory, on August 23, 2019, to inquire about a bill credit, on August 26, 2020, to discuss and compare his bills for August, and on August 28, 2019, to discuss water meters. Mr. [REDACTED] called on September 12, 2019, about his meter read saying the Company had misread the meter, the replaced meter, and requested an Operations Supervisor contact him immediately. An operator responded to this request. On September 30, 2019, Mr. [REDACTED] called requesting information on his meter read and why it was misread again, who was reading the meters, and why did the company exchange the area meters. The operator for the community responded to the customer. The customer called again on October 17, 2019, and to report low pressure and no water, which was a result of an emergency main repair.

The customer sent a complaint to the Office of Regulatory Staff regarding the billing error, and the Company provided a response. Upon investigation, Blue Granite found that the bill originally dated June 27, 2019 was based on an incorrect meter read and that the customer was overcharged.

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Upon finding this, the Company cancelled that bill and created a new bill to reflect actual usage based on a correct meter read. This accounts for the \$43.48 credit placed on the customer's bill dated August 13, 2019. This issue created a delay in getting the new bill issued, which is why two bills were received by the customer in August. After this incident, the customer's reads have been in line indicating that the customer has not been overcharged for water.

Blue Granite Water Company has responded to each service and billing request for this customer in a timely manner.